



## EARNINGS RELEASE

**9M17 - 3Q17**

*January 01, 2017 –September 30, 2017*

*SONDA S.A. and subsidiaries announce their consolidated financial results for the period from January 01 to September 30, 2017. All figures are expressed in Chilean pesos and have been prepared under International Financial Reporting Standards (IFRS). Translations to US dollars stated in this report are based on the month-end exchange rate as of September 30, 2017 (1 US\$ = 637.93 Chilean Pesos).*

## SUMMARY: 9M17 - 3Q17

- CONSOLIDATED REVENUES**

**US\$960.7 million**

- OPERATING INCOME**

**US\$60.2 million**

- EBITDA**

**US\$109.4 million**

- NET INCOME**

**US\$37.6 million**

- EBITDA MARGIN**

**11.4%**

- NET MARGIN**

**3.9%**

## EXECUTIVE SUMMARY

SONDA totaled consolidated revenues of \$612,889 million (US\$960.7 million) in the first nine months of 2017, 1.0% higher than the same period of 2016. Operating Income was \$38,387 million (US\$60.2 million), decreasing by 33.2% (YoY) and EBITDA registered \$69,763 million (US\$109.4 million), lower by 15.3% (YoY). Net Income attributable to owners totaled \$24,003 million (US\$37.6 million), representing a decrease of 28.5% in comparison to 9M16.

Regional results:

| Region | Revenues |       | EBITDA |        |
|--------|----------|-------|--------|--------|
|        | Ch\$M    | ΔY/Y  | Ch\$M  | ΔY/Y   |
| Chile  | 263,275  | -1.0% | 43,746 | -1.7%  |
| Brazil | 205,716  | -3.3% | 8,071  | -53.4% |
| Mexico | 51,944   | -5.5% | 7,444  | -16.5% |
| OPLA   | 91,954   | 26.3% | 10,503 | -9.6%  |
| Total  | 612,889  | 1.0%  | 69,763 | -15.3% |

Current Liquidity ratio was 1.5x, Financial Leverage ratio was 0.8x and financial expenses coverage ratio was 5.6x, all of them reflect a balanced financial position.

Highlights:

- Operations outside Chile increased their revenues by 2.6% (YoY), totaling \$349,614 million (US\$548.0 million), contributing 57.0% of consolidated revenues, while EBITDA decreased 31.3% compared to 9M16, totaling \$26,017 million (US\$40.8million). Excluding currency translation effects, revenues would be at the same level than in 9M16 and EBITDA would have decreased 30.3% (YoY).
- Revenues in Brazil amounted \$205,716 million (US\$322.5 million) and EBITDA totaled \$8,071 million (US\$12.7 million) decreasing 3.3% and 53.4% (YoY), respectively. Excluding currency translation effects, revenues and EBITDA would have decreased by 10.2% and 54.3%, respectively. Even though operating results and margins are still lower than normal, they both have shown a continued improvement since 4Q16. In this regard, during 3Q17, EBITDA increased by 75.4% compared to 2Q17.
- Revenues in Mexico totaled \$51,944 million (US\$81.4 million), decreasing 5.5% as compared to 9M16 and EBITDA amounted \$7,444 million (US\$11.7 million) lower by 16.5%. Excluding currency translation effects, revenues and EBITDA would have decreased 1.5% and 12.1%, respectively. Additionally, in 3Q17 EBITDA increased by 121.3% compared to 2Q17.
- Revenues in OPLA amounted \$91,954 million (US\$144.1 million), 26.3% higher than in 9M16, while EBITDA totaled \$10,503 million (US\$16.5 million), 9.6% lower than in 9M16. Excluding currency translation effects, revenues would have grown 31.4% and EBITDA would have decreased 8.6%.
- Revenues in Chile decreased 1.0% (YoY) totaling \$263,275 million (US\$412.7 million) and EBITDA decreased 1.7% (YoY), registering \$43,746 million (US\$68.6 million). Excluding currency translation effects, revenues would have grown 0.2% and EBITDA would have decreased 1.6%.
- Net Income attributable to the owners decreased 28.5% compared to 9M16 including the positive effect of US\$9.1 million over the Income Tax Expense, generated as consequence of CLP appreciation against USD. In 9M16, the positive effect over taxes amounted US\$12.1 million. Taking this apart, Net Income would have decreased 29.7%.
- In the period, new deals closed totaled US\$955.8 million, 31.3% higher than in 9M16 (at each period-end exchange rate). By country, Brazil contributed with 46.1% of the total deals closed, increasing 121.8% (YoY). IT Services registered the highest growth in terms of deals closed and it represented the largest contribution to deals closed in Brazil reaching an increase of 167.8%. At Consolidated level, the highest growth came from IT Services, which increased 65.0% (YoY).
- Pipeline of new potential businesses amounted US\$3,503 million, growing 27.0% compared to 9M16. Brazil contributed with US\$1,930.7 million, showing an increase of 18.3% in comparison to 9M16.

Figure 1 – Consolidated Financial Statement  
**Consolidated Financial Statements | SONDA S.A.**

| Millions of Ch\$ (Ch\$M)  |                |                |                |               |
|---|----------------|----------------|----------------|---------------|
| <b>Income Statement</b>   | <b>Sep-16</b>  | <b>Sep-17</b>  | <b>Δ \$</b>    | <b>Δ %</b>    |
| Revenues  | 606,592        | 612,889        | 6,297          | 1.0%          |
| Cost of Sales   | -491,510       | -510,176       | -18,666        | 3.8%          |
| <b>GROSS PROFIT</b>   | <b>115,082</b> | <b>102,713</b> | <b>-12,369</b> | <b>-10.7%</b> |
| Administration Expenses   | -57,585        | -64,326        | -6,741         | 11.7%         |
| <b>OPERATING INCOME <sup>(1)</sup></b>                                  | <b>57,497</b>  | <b>38,387</b>  | <b>-19,110</b> | <b>-33.2%</b> |
| Depreciation and Amortization   | 24,871         | 31,376         | 6,505          | 26.2%         |
| <b>EBITDA <sup>(2)</sup></b>  | <b>82,368</b>  | <b>69,763</b>  | <b>-12,605</b> | <b>-15.3%</b> |
| Other Income  | 4,199          | 1,944          | -2,255         | -53.7%        |
| Other Expenses  | -11,672        | -8,239         | 3,433          | -29.4%        |
| <b>PROFIT (LOSS) FROM OPERATING ACTIVITIES</b>                          | <b>50,024</b>  | <b>32,092</b>  | <b>-17,932</b> | <b>-35.8%</b> |
| Financial Income  | 3,523          | 5,185          | 1,662          | 47.2%         |
| Financial Expenses  | -8,203         | -12,472        | -4,268         | 52.0%         |
| Share of Profit (Loss) of Associates                                    | 47             | 59             | 12             | 25.4%         |
| Foreign Exchange Differences  | -1,418         | 2,200          | 3,617          | -255.2%       |
| Income (Loss) for Indexed Assets and Liabilities                        | -695           | -58            | 637            | -91.6%        |
| <b>NET INCOME BEFORE TAXES</b>  | <b>43,279</b>  | <b>27,006</b>  | <b>-16,272</b> | <b>-37.6%</b> |
| Income Tax Expense  | -5,481         | 558            | 6,039          | -110.2%       |
| <b>NET INCOME FROM CONTINUING OPERATIONS</b>                            | <b>37,798</b>  | <b>27,564</b>  | <b>-10,233</b> | <b>-27.1%</b> |
| Net Income Attributable to Minority Interest                            | 4,205          | 3,561          | -644           | -15.3%        |
| <b>NET INCOME ATTRIBUTABLE TO OWNERS OF THE COMPANY</b>                 | <b>33,593</b>  | <b>24,003</b>  | <b>-9,590</b>  | <b>-28.5%</b> |
| <b>Balance Sheet</b>  | <b>Dec-16</b>  | <b>Sep-17</b>  | <b>Δ \$</b>    | <b>Δ %</b>    |
| Cash and Cash Equivalents   | 64,417         | 54,023         | -10,395        | -16.1%        |
| Other Current Financial Assets  | 27,090         | 27,095         | 4              | 0.0%          |
| Trade Accounts Receivable and Other Receivables, Net                    | 198,641        | 219,141        | 20,501         | 10.3%         |
| Accounts Receivable from Related Companies                              | 3,045          | 4,105          | 1,060          | 34.8%         |
| Inventories   | 40,198         | 38,481         | -1,717         | -4.3%         |
| Other Current Assets  | 50,735         | 48,141         | -2,594         | -5.1%         |
| <b>CURRENT ASSETS</b>   | <b>384,127</b> | <b>390,986</b> | <b>6,859</b>   | <b>1.8%</b>   |
| Intangibles Assets and Goodwill   | 274,756        | 275,174        | 418            | 0.2%          |
| Property, Plant and Equipment, Net                                      | 133,347        | 134,513        | 1,166          | 0.9%          |
| Other Non-currents Assets   | 85,308         | 97,199         | 11,891         | 13.9%         |
| <b>NON-CURRENT ASSETS</b>   | <b>493,412</b> | <b>506,887</b> | <b>13,475</b>  | <b>2.7%</b>   |
| <b>ASSETS</b>   | <b>877,539</b> | <b>897,872</b> | <b>20,333</b>  | <b>2.3%</b>   |
| Other Current Financial Liabilities                                     | 83,270         | 113,636        | 30,366         | 36.5%         |
| Other Liabilities   | 156,363        | 146,547        | -9,816         | -6.3%         |
| <b>CURRENT LIABILITIES</b>  | <b>239,633</b> | <b>260,184</b> | <b>20,550</b>  | <b>8.6%</b>   |
| Other Non-current Financial Liabilities                                 | 82,668         | 93,598         | 10,931         | 13.2%         |
| Other Liabilities, Non-Current  | 47,749         | 42,578         | -5,172         | -10.8%        |
| <b>NON-CURRENT LIABILITIES</b>  | <b>130,417</b> | <b>136,176</b> | <b>5,759</b>   | <b>4.4%</b>   |
| <b>LIABILITIES</b>  | <b>370,050</b> | <b>396,360</b> | <b>26,309</b>  | <b>7.1%</b>   |
| Minority Interest   | 8,438          | 7,686          | -752           | -8.9%         |
| <b>TOTAL SHAREHOLDERS' EQUITY ATTRIBUTABLE TO OWNERS OF THE COMPANY</b> | <b>499,050</b> | <b>493,827</b> | <b>-5,224</b>  | <b>-1.0%</b>  |
| <b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>                       | <b>877,539</b> | <b>897,872</b> | <b>20,333</b>  | <b>2.3%</b>   |

<sup>(1)</sup> Operating Income = Gross Profit – Administration Expenses

<sup>(2)</sup> EBITDA = Operating Income + Depreciation and Amortization

## MANAGEMENT DISCUSSION AND ANALYSIS ON 2017 CONSOLIDATED RESULTS

### I. Consolidated Results for the first nine months of 2017 (9M17)

#### Revenues

Consolidated revenues totaled \$612,889 million (US\$960.7 million) in 9M17, higher by 1.0% than in 9M16 (+\$6,297 million / +US\$9.9 million). Excluding currency translation effects revenues would have shown same levels than in 9M16.

- Revenues from IT Services business increased 2.1% (+\$7,096 million / +US\$11.1 million), registering \$344,733 million (US\$540.4 million) in 9M17, mainly driven by higher revenues in Chile and OPLA.
- Platforms business revenues increased 2.4% (+\$5,691 million / +US\$8.9 million) totaling \$238,125 million (US\$373.3 million) in 9M17, mainly explained by the increase in OPLA and Brazil.
- Applications business revenues decreased 17.8% (-\$6,490 million / -US\$10.2 million), totaling \$30,030 million (US\$47.1 million), mainly explained by Brazil.

In the first nine months of 2017, the revenue breakdown by business was 56.2% IT Services, 38.9% Platforms and 4.9% Applications.

Figure 2 – Consolidated Revenues by Business Line

|   | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$         | Δ %         |
|---|-----------------|-----------------|--------------|-------------|
| <b>CONSOLIDATED REVENUES BY BUSINESS LINE</b> |                 |                 |              |             |
| Platforms                                     | 232,434         | 238,125         | 5,691        | 2.4%        |
| IT Services                                   | 337,638         | 344,733         | 7,096        | 2.1%        |
| Applications                                  | 36,520          | 30,030          | -6,490       | -17.8%      |
| <b>Total</b>                                  | <b>606,592</b>  | <b>612,889</b>  | <b>6,297</b> | <b>1.0%</b> |
| <b>Breakdown</b>                              |                 |                 |              |             |
| Platforms                                     | 38.3%           | 38.9%           |              |             |
| IT Services                                   | 55.7%           | 56.2%           |              |             |
| Applications                                  | 6.0%            | 4.9%            |              |             |
| <b>Total</b>                                  | <b>100%</b>     | <b>100%</b>     |              |             |

#### Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$510,176 million (US\$799.7 million) in 9M17, representing an increase of 3.8% (YoY).

Administration expenses registered \$64,326 million (US\$100.8 million), increasing 11.7% compared to previous year mainly explained by Chile, Brazil and OPLA, in addition to the consolidation effects of ATIVAS and Grupo Compufácil (\$2,083 million / US\$3.3 million).

Figure 3 – Income Statement

|   | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$           | Δ %           |
|---|-----------------|-----------------|----------------|---------------|
| <b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b> |                 |                 |                |               |
| Revenues  | 606,592         | 612,889         | 6,297          | 1.0%          |
| Cost of Sales                                   | -491,510        | -510,176        | -18,666        | 3.8%          |
| <b>GROSS PROFIT</b>                             | <b>115,082</b>  | <b>102,713</b>  | <b>-12,369</b> | <b>-10.7%</b> |
| Administration Expenses                         | -57,585         | -64,326         | -6,741         | 11.7%         |
| <b>OPERATING INCOME <sup>(1)</sup></b>          | <b>57,497</b>   | <b>38,387</b>   | <b>-19,110</b> | <b>-33.2%</b> |
| <b>EBITDA <sup>(2)</sup></b>                    | <b>82,368</b>   | <b>69,763</b>   | <b>-12,605</b> | <b>-15.3%</b> |
| <b>NET INCOME ATTRIBUTABLE TO OWNERS</b>        | <b>33,593</b>   | <b>24,003</b>   | <b>-9,590</b>  | <b>-28.5%</b> |
| <b>Financial Ratios</b>                         |                 |                 |                |               |
| Gross Margin                                    | 19.0%           | 16.8%           |                |               |
| Operating Margin                                | 9.5%            | 6.3%            |                |               |
| EBITDA Margin                                   | 13.6%           | 11.4%           |                |               |
| Net Margin                                      | 5.5%            | 3.9%            |                |               |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

### Operating Income and EBITDA

Operating Income amounted \$38,387 million (US\$60.2 million) lower by 33.2% as compared to 9M16. Gross Margin and Operating Margin reached 16.8% and 6.3%, respectively, representing a reduction of 220bp and 320bp in comparison to 9M16. Excluding currency translation effects, Operating Income would have decreased 31.1%.

EBITDA totaled \$69,763 million (US\$109.4 million) in 9M17, representing a decrease of 15.3% (YoY). EBITDA Margin was 11.4%, 220bp lower than in 9M16. Excluding currency translation effects, EBITDA would have decreased by 14.8%.

### Other Comprehensive Income / Losses (Excluding Administration Expenses)

Total Other Comprehensive Income / Losses, excluding Administration Expenses, presented a loss of \$11,381 million (US\$17.8 million) in 9M17, \$2,838 million (US\$4.4 million) lower than the loss registered in 9M16. The latter was a consequence of a positive effect in Foreign Exchange Differences (\$3,617 million / US\$5.7 million), lower Other Expenses (\$3,433 million / \$5.4 million). The previous positive effects were partially offset by an increase in Net Financial Expenses (\$2,606 million / US\$4.1 million) and a decrease in Other Income (\$2,255 million / US\$3.5 million).

### Net Income

Net Income attributable to the owners of the Company, amounted \$24,003 million (US\$37.6 million) in 9M17, 28.5% lower than in 9M16, mainly as consequence of a lower Operating Income. It also considers a positive effect of US\$9.1 million over the Income Tax Expense, generated as consequence of CLP appreciation against USD. In 9M16, the effect was also positive and amounted US\$12.1 million. Taking this apart, Net Income would have decreased 29.7%.

## II. Consolidated Results for the third quarter of 2017 (3Q17)

### Revenues

Consolidated revenues totaled \$203,205 million (US\$318.5 million) in 3Q17, lower by 1.7% than in 3Q16 (-\$3,453 million / -US\$5.4 million). Excluding currency translation effects, revenues would have shown similar levels than in 3Q16.

- Revenues from IT Services business decreased 1.6% (-\$1,852 million / -US\$2.9 million), registering \$115,302 million (US\$180.7 million) in 3Q17, mainly driven by lower revenues in Brazil, partially offset by higher revenues in Chile, Colombia and Mexico.
  - 17.0% lower revenues from Professional and Integration Services (-\$5,987 million / -US\$9.4 million), reaching \$29,197 million (US\$45.8 million).
  - 5.8% increase in IT Outsourcing revenues (\$3,183 million / US\$5.0 million), to \$58,476 million (US\$91.7 million).
- Platforms business revenues increased 0.1% (+\$110 million / +US\$0.2 million), registering \$77,650 million (US\$121.7 millions) in 3Q17 driven by higher revenues in Brazil and Colombia, partially offset by Chile, Mexico and Peru.
  - 145.5% increase in revenues from sales of SW platforms (+\$8,336 million / +US\$13.1 million), reaching \$14,064 million (US\$22.0 million).
  - 53.1% increase in revenues from SW/HW leases (+\$980 million / +US\$1.5 million), reaching \$2,826 million (US\$4.4 million).
  - 13.2% decrease in sales of HW platforms (-\$9,206 million / -US\$14.4 million) totalizing \$60,760 million (US\$95.2 million).
- Applications business revenues decreased 14.3% (-\$1,711 million / -US\$2.7 million), totaling \$10,253 million (US\$16.1 million), mainly driven by lower sales in Brazil.
  - 28.0% decrease in Support and Development revenues (-\$1,613 million / -US\$2.5 million), to \$4,156 million (US\$6.5 million).

In 3Q17, the revenue breakdown by business was 56.7% IT Services, 38.2% Platforms and 5.1% Applications.

Figure 4 – Consolidated Revenues by Business Line

|   | 3Q16<br>Ch\$M  | 3Q17<br>Ch\$M  | Δ \$          | Δ %          |
|---|----------------|----------------|---------------|--------------|
| <b>CONSOLIDATED REVENUES BY BUSINESS LINE</b> |                |                |               |              |
| Platforms                                     | 77,540         | 77,650         | 110           | 0.1%         |
| IT Services                                   | 117,154        | 115,302        | -1,852        | -1.6%        |
| Applications                                  | 11,964         | 10,253         | -1,711        | -14.3%       |
| <b>Total</b>                                  | <b>206,658</b> | <b>203,205</b> | <b>-3,453</b> | <b>-1.7%</b> |
| <b>Breakdown</b>                              |                |                |               |              |
| Platforms                                     | 37.5%          | 38.2%          |               |              |
| IT Services                                   | 56.7%          | 56.7%          |               |              |
| Applications                                  | 5.8%           | 5.1%           |               |              |
| <b>Total</b>                                  | <b>100%</b>    | <b>100%</b>    |               |              |

### Cost of Sales and Selling, General and Administrative Expenses

Cost of sales amounted \$165,033 million (US\$258.7 million) in 3Q17, showing a decrease of 0.6% (YoY).

Administration expenses registered \$22,646 million (US\$35.5 million), increasing 13.8% compared to the same period in 2016, mainly driven by Chile and due to the consolidation effects of ATIVAS and Grupo Compufácil (\$1,068 million / US\$1,7 million).

Figure 5 – Income Statement

|   | 3Q16          | 3Q17          | Δ \$          | Δ %           |
|---|---------------|---------------|---------------|---------------|
| <b>SUMMARY OF CONSOLIDATED INCOME STATEMENT</b> |               |               |               |               |
| Revenues  | 206,658       | 203,205       | -3,453        | -1.7%         |
| Cost of Sales                                   | -165,957      | -165,033      | 924           | -0.6%         |
| <b>GROSS PROFIT</b>                             | <b>40,701</b> | <b>38,172</b> | <b>-2,529</b> | <b>-6.2%</b>  |
| Administration Expenses                         | -19,893       | -22,646       | -2,753        | 13.8%         |
| <b>OPERATING INCOME <sup>(1)</sup></b>          | <b>20,807</b> | <b>15,526</b> | <b>-5,282</b> | <b>-25.4%</b> |
| <b>EBITDA <sup>(2)</sup></b>                    | <b>28,915</b> | <b>26,270</b> | <b>-2,646</b> | <b>-9.2%</b>  |
| <b>NET INCOME ATTRIBUTABLE TO OWNERS</b>        | <b>10,691</b> | <b>12,329</b> | <b>1,638</b>  | <b>15.3%</b>  |
| <b>Financial Ratios</b>                         |               |               |               |               |
| Gross Margin                                    | 19.7%         | 18.8%         |               |               |
| Operating Margin                                | 10.1%         | 7.6%          |               |               |
| EBITDA Margin                                   | 14.0%         | 12.9%         |               |               |
| Net Margin                                      | 5.2%          | 6.1%          |               |               |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

### Operating Income and EBITDA

Operating Income amounted \$15,526 million (US\$24.3 million) lower by 25.4% as compared to 3Q16. Gross Margin and Operating Margin reached 18.8% and 7.6%, respectively, representing a decrease of 90bp and 250bp in comparison to 3Q16. Excluding currency translation effects, Operating Income would have decreased 25.0%.

EBITDA totaled \$26,270 million (US\$41.2 million) in 3Q17, representing a decrease of 9.2% (YoY). EBITDA Margin reached 12.9%, 110bp lower than in 3Q16.

### Other Comprehensive Income / Losses (Excluding Administration Expenses)

Total Other Comprehensive Income / Losses, excluding Administration Expenses, moved from a loss of \$4,779 million (US\$7.5 million) in 3Q16 to a loss of \$4,347 million (US\$6.8 million) in 3Q17. The latter was a consequence of an increase in Financial Expenses (\$1,469 million / US\$2.3 million) and lower Other Income (\$996 million / US\$1.6 million), partially offset by lower Other Expenses (\$1,898 million / US\$3.0 million).

In Other Expenses, there is a \$649 million (US\$1.0 million) charge in 3Q17 and a \$1,026 million (US\$1.6 million) charge in 3Q16, due to restructuring costs related to business reorganization processes undertaken in Brazil.

### Net Income

Net Income attributable to the owners of the Company, amounted \$12,329 million (US\$19.3 million) in 3Q17, 15.3% higher compared to 3Q16. In 3Q16 a positive effect over taxes (+US\$0.8 million) was registered, because of exchange rate fluctuations (CLP/USD). In 3Q17, the positive exchange rate effect reached US\$7.7 million. Taking this exchange rate effect apart, Net Income would have decreased 27.2% mainly due to lower Operating Income.

### III. Regional Results for the first nine months (9M17) and the third quarter of 2017 (3Q17)

#### Chile

Main changes between 9M17 and 9M16 are described below:

- \$263,275 million (US\$412.7 million) in revenues for 9M17 showing a decrease of 1.0% (YoY), mainly explained by lower revenues from Platform business (-5.2%). Excluding currency translation effects revenues would have grown 0.2%.
- Operating Income totaled \$33,301 million (US\$52.2 million / -3.3% YoY) and EBITDA totaled \$43,746 million (US\$68.6 million / -1.7% YoY) due to lower revenues from Platform business.
- Operating Margin reached 12.6%, and EBITDA Margin reached 16.6%, 30bp and 10bp lower than in 9M16, respectively.

Figure 6 – Business in Chile  
Sep-16 – Sep-17

|                                 | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$        | Δ %          |
|---------------------------------|-----------------|-----------------|-------------|--------------|
| <b>SUMMARY OF RESULTS CHILE</b> |                 |                 |             |              |
| REVENUES                        | 265,992         | 263,275         | -2,717      | -1.0%        |
| Platforms                       | 154,390         | 146,374         | -8,016      | -5.2%        |
| IT Services                     | 98,633          | 104,570         | 5,937       | 6.0%         |
| Applications                    | 12,969          | 12,331          | -638        | -4.9%        |
| Cost of Sales                   | -203,818        | -199,340        | 4,478       | -2.2%        |
| GROSS PROFIT                    | 62,174          | 63,935          | 1,760       | 2.8%         |
| Administration Expenses         | -27,753         | -30,634         | -2,880      | 10.4%        |
| OPERATING INCOME <sup>(1)</sup> | 34,421          | 33,301          | -1,120      | -3.3%        |
| <b>EBITDA <sup>(2)</sup></b>    | <b>44,524</b>   | <b>43,746</b>   | <b>-778</b> | <b>-1.7%</b> |
| Operating Margin                | 12.9%           | 12.6%           |             |              |
| EBITDA Margin                   | 16.7%           | 16.6%           |             |              |

Main changes between 3Q17 and 3Q16 are described below:

- \$86,100 million (US\$135.0 million) in revenues for 3Q17 showing a decrease of 5.2% (YoY), mainly explained by lower revenues from the Platforms business (-10.2% YoY) mainly due to lower sales volume in retail and corporate business. Excluding currency translation effects revenues would have decreased 4.3%.
- Operating Income totaled \$10,865 million (US\$17.0 million / -15.5% YoY) and EBITDA totaled \$14,386 million (US\$22.6million / -11.5% YoY).
- Operating Margin reached 12.6%, and EBITDA Margin reached 16.7%, 160bp and 120bp lower compared to 3Q16, respectively.

Figure 7 – Business in Chile  
3Q16 – 3Q17

|                                 | 3Q16<br>Ch\$M | 3Q17<br>Ch\$M | Δ \$          | Δ %           |
|---------------------------------|---------------|---------------|---------------|---------------|
| <b>SUMMARY OF RESULTS CHILE</b> |               |               |               |               |
| REVENUES                        | 90,785        | 86,100        | -4,685        | -5.2%         |
| Platforms                       | 51,449        | 46,222        | -5,227        | -10.2%        |
| IT Services                     | 34,994        | 35,815        | 822           | 2.3%          |
| Applications                    | 4,342         | 4,063         | -280          | -6.4%         |
| Cost of Sales                   | -68,613       | -64,596       | 4,016         | -5.9%         |
| GROSS PROFIT                    | 22,172        | 21,503        | -669          | -3.0%         |
| Administration Expenses         | -9,315        | -10,639       | -1,324        | 14.2%         |
| OPERATING INCOME <sup>(1)</sup> | 12,857        | 10,865        | -1,993        | -15.5%        |
| <b>EBITDA <sup>(2)</sup></b>    | <b>16,258</b> | <b>14,386</b> | <b>-1,872</b> | <b>-11.5%</b> |
| Operating Margin                | 14.2%         | 12.6%         |               |               |
| EBITDA Margin                   | 17.9%         | 16.7%         |               |               |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization



## Brazil

Main changes between 9M17 and 9M16, are described below:

- Revenues amounted \$205,716 million (US\$322.5 million), 3.3% lower than in 9M16. Excluding currency translation effects, revenues would have decreased 10.2%.
- Operating Income registered a loss of \$7,148 million (-US\$11.2 million / -203.7% YoY) and EBITDA totaled \$8,071 million (US\$12.7 million / -53.4% YoY). Excluding currency translation effects, Operating Income and EBITDA would have decreased 191.3% and 54.3%, respectively (YoY).
- Operating Margin was -3.5% and EBITDA Margin was 3.9%, lower by 670bp and 420bp than in 9M16.
- Lower revenues from SAP and Application businesses have negatively affected the results.

Figure 8 – Business in Brazil  
Sep-16 – Sep-17

|                                  | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$          | Δ %           |
|----------------------------------|-----------------|-----------------|---------------|---------------|
| <b>SUMMARY OF RESULTS BRAZIL</b> |                 |                 |               |               |
| REVENUES                         | 212,789         | 205,716         | -7,072        | -3.3%         |
| Platforms                        | 27,144          | 30,221          | 3,078         | 11.3%         |
| IT Services                      | 165,474         | 160,816         | -4,658        | -2.8%         |
| Applications                     | 20,171          | 14,679          | -5,492        | -27.2%        |
| Cost of Sales                    | -188,027        | -192,439        | -4,412        | 2.3%          |
| GROSS PROFIT                     | 24,761          | 13,277          | -11,484       | -46.4%        |
| Administration Expenses          | -17,870         | -20,425         | -2,555        | 14.3%         |
| OPERATING INCOME <sup>(1)</sup>  | 6,891           | -7,148          | -14,039       | -203.7%       |
| <b>EBITDA <sup>(2)</sup></b>     | <b>17,307</b>   | <b>8,071</b>    | <b>-9,236</b> | <b>-53.4%</b> |
| Operating Margin                 | 3.2%            | -3.5%           |               |               |
| EBITDA Margin                    | 8.1%            | 3.9%            |               |               |

Main changes between 3Q17 and 3Q16, are described below:

- Revenues amounted \$66,402 million (US\$104.1 million), 8.9% lower than in 3Q16, mainly explained by lower revenues from IT Services (-16.1%) and Applications business (-20.5%), partially offset by higher revenues from Platforms (+54.0%). Excluding currency translation effects, revenues would have decreased by 8.5%.
- Operating Income registered a loss of \$507 million (-US\$0.8 million / -115.9% YoY) while EBITDA showed a gain of \$4,497 million (US\$7.0 million / -31.0% YoY) and an increase of 75.4% in comparison to 2Q17. Operating and EBITDA Margin reached -0.8% and 6.8%, respectively.
- Even though operating results and margins are still way lower than normal, they both have shown a continued improvement since 4Q16.
- The latter is a consequence of the action plan executed by management in Brazil during this year, as well as by better economic expectations which in turn have led to a higher volume of new deals.

Figure 9 – Business in Brazil  
3Q16 – 3Q17

|                                  | 3Q16<br>Ch\$M | 3Q17<br>Ch\$M | Δ \$          | Δ %           |
|----------------------------------|---------------|---------------|---------------|---------------|
| <b>SUMMARY OF RESULTS BRAZIL</b> |               |               |               |               |
| REVENUES                         | 72,873        | 66,402        | -6,471        | -8.9%         |
| Platforms                        | 7,947         | 12,235        | 4,288         | 54.0%         |
| IT Services                      | 58,202        | 48,822        | -9,381        | -16.1%        |
| Applications                     | 6,724         | 5,346         | -1,378        | -20.5%        |
| Cost of Sales                    | -62,837       | -59,914       | 2,923         | -4.7%         |
| GROSS PROFIT                     | 10,036        | 6,488         | -3,547        | -35.3%        |
| Administration Expenses          | -6,850        | -6,995        | -146          | 2.1%          |
| OPERATING INCOME <sup>(1)</sup>  | 3,186         | -507          | -3,693        | -115.9%       |
| <b>EBITDA <sup>(2)</sup></b>     | <b>6,518</b>  | <b>4,497</b>  | <b>-2,021</b> | <b>-31.0%</b> |
| Operating Margin                 | 4.4%          | -0.8%         |               |               |
| EBITDA Margin                    | 8.9%          | 6.8%          |               |               |

(1) Operating Income: Gross Profit – Administration Expenses  
(2) EBITDA: Operating Income + Depreciation and Amortization

## Mexico

Main changes between 9M17 and 9M16 are described below:

- Revenues decreased 5.5% compared to 9M16, totaling \$51,944 million (US\$81.4 million) mainly due to lower sales in the Platforms business and negative currency translation effects. Excluding the latter effect, revenues would have decreased 1.5%.
- Operating Income amounted \$6,122 million (US\$9.6 million) and EBITDA totaled \$7,444 million (US\$11.7 million), representing a decrease of 19.1% and 16.5% (YoY), respectively. Excluding currency translation effects, Operating Income and EBITDA would have decreased 15.1% and 12.1%, respectively (YoY).
- Operating and EBITDA Margin were 11.8% and 14.3%, respectively. Both showed a decreased of 200bp and 190bp compared to 9M16.

Figure 10 – Business in Mexico  
Sep-16 – Sep-17

|                                  | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$          | Δ %           |
|----------------------------------|-----------------|-----------------|---------------|---------------|
| <b>SUMMARY OF RESULTS MEXICO</b> |                 |                 |               |               |
| REVENUES                         | 54,988          | 51,944          | -3,044        | -5.5%         |
| Platforms                        | 28,301          | 24,222          | -4,078        | -14.4%        |
| IT Services                      | 26,687          | 27,722          | 1,035         | 3.9%          |
| Applications                     | 0               | 0               | 0             | -             |
| Cost of Sales                    | -42,184         | -41,040         | 1,144         | -2.7%         |
| GROSS PROFIT                     | 12,804          | 10,904          | -1,899        | -14.8%        |
| Administration Expenses          | -5,240          | -4,782          | 457           | -8.7%         |
| OPERATING INCOME <sup>(1)</sup>  | 7,564           | 6,122           | -1,442        | -19.1%        |
| <b>EBITDA <sup>(2)</sup></b>     | <b>8,919</b>    | <b>7,444</b>    | <b>-1,475</b> | <b>-16.5%</b> |
| Operating Margin                 | 13.8%           | 11.8%           |               |               |
| EBITDA Margin                    | 16.2%           | 14.3%           |               |               |

Main changes between 3Q17 and 3Q16 are described below:

- \$18,406 million in revenues (US\$ 28.9 million) 1.8% lower than in 3Q16. Excluding currency translation effects, revenues would have increased 0.6%.
- Operating Income amounted \$2,982 million (US\$4.7 million) and EBITDA totaled \$3,380 million (US\$5.3 million), representing an increase of 53.4% and 42.5% (YoY), respectively. Stands out the increase of 121.3% in EBITDA compared to 2Q17.
- Operating and EBITDA Margin reached 16.2% and 18.4%, respectively. Both represented an increase of 580bp each compared to 3Q16.

Figure 11 – Business in Mexico  
3Q16 – 3Q17

|                                  | 3Q16<br>Ch\$M | 3Q17<br>Ch\$M | Δ \$         | Δ %          |
|----------------------------------|---------------|---------------|--------------|--------------|
| <b>SUMMARY OF RESULTS MEXICO</b> |               |               |              |              |
| REVENUES                         | 18,747        | 18,406        | -341         | -1.8%        |
| Platforms                        | 10,068        | 8,296         | -1,772       | -17.6%       |
| IT Services                      | 8,678         | 10,110        | 1,432        | 16.5%        |
| Applications                     | 0             | 0             | 0            | -            |
| Cost of Sales                    | -15,182       | -13,579       | 1,602        | -10.6%       |
| GROSS PROFIT                     | 3,565         | 4,827         | 1,262        | 35.4%        |
| Administration Expenses          | -1,621        | -1,845        | -223         | 13.8%        |
| OPERATING INCOME <sup>(1)</sup>  | 1,944         | 2,982         | 1,039        | 53.4%        |
| <b>EBITDA <sup>(2)</sup></b>     | <b>2,371</b>  | <b>3,380</b>  | <b>1,009</b> | <b>42.5%</b> |
| Operating Margin                 | 10.4%         | 16.2%         |              |              |
| EBITDA Margin                    | 12.6%         | 18.4%         |              |              |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

## OPLA (Other Countries in Latin America)

Main changes in OPLA (which includes Argentina, Colombia, Costa Rica, Ecuador, Peru, Panama and Uruguay) between 9M17 and 9M16 are described below:

- Revenues increased 26.3% compared to 9M16, reaching \$91,954 million (US\$144.1 million) mainly due to higher revenues in Colombia and Peru from new contracts and the acquisition of Grupo Compufácil (Colombia).
- Operating Income amounted \$6,112 million (US\$9.6 million) and EBITDA \$10,503 million (US\$16.5 million) decreasing 29.1% and 9.6% (YoY), respectively. This decrease is mainly explained by a lower performance in Argentina.
- Operating and EBITDA Margin reached 6.6% and 11.4%, respectively. The latter represents a 520bp and 460bp reduction, respectively.

Figure 12 – Business in OPLA  
Sep-16 – Sep-17

|                                 | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$          | Δ %          |
|---------------------------------|-----------------|-----------------|---------------|--------------|
| <b>SUMMARY OF RESULTS OPLA</b>  |                 |                 |               |              |
| REVENUES                        | 72,823          | 91,954          | 19,131        | 26.3%        |
| Platforms                       | 22,599          | 37,307          | 14,708        | 65.1%        |
| IT Services                     | 46,844          | 51,626          | 4,782         | 10.2%        |
| Applications                    | 3,380           | 3,020           | -359          | -10.6%       |
| Cost of Sales                   | -57,480         | -77,357         | -19,877       | 34.6%        |
| GROSS PROFIT                    | 15,343          | 14,596          | -746          | -4.9%        |
| Administration Expenses         | -6,722          | -8,484          | -1,763        | 26.2%        |
| OPERATING INCOME <sup>(1)</sup> | 8,621           | 6,112           | -2,509        | -29.1%       |
| <b>EBITDA <sup>(2)</sup></b>    | <b>11,619</b>   | <b>10,503</b>   | <b>-1,116</b> | <b>-9.6%</b> |
| Operating Margin                | 11.8%           | 6.6%            |               |              |
| EBITDA Margin                   | 16.0%           | 11.4%           |               |              |

Main changes between 3Q17 and 3Q16 are described below:

- Revenues increased 33.2%, totaling \$32,297 million (US\$50.6 million). Excluding currency translation effects, revenues would have grown 40.5%.
- Operating Income amounted \$2,186 million (US\$3.4 million) decreasing 22.5% (YoY) and EBITDA \$4,007 million (US\$6.3 million) increasing 6.3% (YoY).
- Operating and EBITDA Margin reached 6.8% and 12.4%, respectively. The latter represents a reduction in margins of 480bp and 310bp, respectively, affected by the performance in Argentina.

Figure 13 – Business in OPLA  
3Q16 – 3Q17

|                                 | 3Q16<br>Ch\$M | 3Q17<br>Ch\$M | Δ \$       | Δ %         |
|---------------------------------|---------------|---------------|------------|-------------|
| <b>SUMMARY OF RESULTS OPLA</b>  |               |               |            |             |
| REVENUES                        | 24,253        | 32,297        | 8,043      | 33.2%       |
| Platforms                       | 8,075         | 10,897        | 2,821      | 34.9%       |
| IT Services                     | 15,280        | 20,555        | 5,275      | 34.5%       |
| Applications                    | 898           | 844           | -54        | -6.0%       |
| Cost of Sales                   | -19,325       | -26,943       | -7,618     | 39.4%       |
| GROSS PROFIT                    | 4,928         | 5,354         | 426        | 8.6%        |
| Administration Expenses         | -2,108        | -3,168        | -1,060     | 50.3%       |
| OPERATING INCOME <sup>(1)</sup> | 2,820         | 2,186         | -635       | -22.5%      |
| <b>EBITDA <sup>(2)</sup></b>    | <b>3,769</b>  | <b>4,007</b>  | <b>238</b> | <b>6.3%</b> |
| Operating Margin                | 11.6%         | 6.8%          |            |             |
| EBITDA Margin                   | 15.5%         | 12.4%         |            |             |

(1) Operating Income: Gross Profit – Administration Expenses  
(2) EBITDA: Operating Income + Depreciation and Amortization

Figure 14 – Regional Summary

| Regional Summary                | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$          | Δ %           | 3Q16<br>Ch\$M | 3Q17<br>Ch\$M | Δ \$          | Δ %           |
|---------------------------------|-----------------|-----------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>CHILE</b>                    |                 |                 |               |               |               |               |               |               |
| REVENUES                        | 265,992         | 263,275         | -2,717        | -1.0%         | 90,785        | 86,100        | -4,685        | -5.2%         |
| Platforms                       | 154,390         | 146,374         | -8,016        | -5.2%         | 51,449        | 46,222        | -5,227        | -10.2%        |
| IT Services                     | 98,633          | 104,570         | 5,937         | 6.0%          | 34,994        | 35,815        | 822           | 2.3%          |
| Applications                    | 12,969          | 12,331          | -638          | -4.9%         | 4,342         | 4,063         | -280          | -6.4%         |
| Cost of Sales                   | -203,818        | -199,340        | 4,478         | -2.2%         | -68,613       | -64,596       | 4,016         | -5.9%         |
| GROSS PROFIT                    | 62,174          | 63,935          | 1,760         | 2.8%          | 22,172        | 21,503        | -669          | -3.0%         |
| Administration Expenses         | -27,753         | -30,634         | -2,880        | 10.4%         | -9,315        | -10,639       | -1,324        | 14.2%         |
| OPERATING INCOME <sup>(1)</sup> | 34,421          | 33,301          | -1,120        | -3.3%         | 12,857        | 10,865        | -1,993        | -15.5%        |
| <b>EBITDA <sup>(2)</sup></b>    | <b>44,524</b>   | <b>43,746</b>   | <b>-778</b>   | <b>-1.7%</b>  | <b>16,258</b> | <b>14,386</b> | <b>-1,872</b> | <b>-11.5%</b> |
| Operating Margin                | 12.9%           | 12.6%           |               |               | 14.2%         | 12.6%         |               |               |
| EBITDA Margin                   | 16.7%           | 16.6%           |               |               | 17.9%         | 16.7%         |               |               |
| <b>BRAZIL</b>                   |                 |                 |               |               |               |               |               |               |
| REVENUES                        | 212,789         | 205,716         | -7,072        | -3.3%         | 72,873        | 66,402        | -6,471        | -8.9%         |
| Platforms                       | 27,144          | 30,221          | 3,078         | 11.3%         | 7,947         | 12,235        | 4,288         | 54.0%         |
| IT Services                     | 165,474         | 160,816         | -4,658        | -2.8%         | 58,202        | 48,822        | -9,381        | -16.1%        |
| Applications                    | 20,171          | 14,679          | -5,492        | -27.2%        | 6,724         | 5,346         | -1,378        | -20.5%        |
| Cost of Sales                   | -188,027        | -192,439        | -4,412        | 2.3%          | -62,837       | -59,914       | 2,923         | -4.7%         |
| GROSS PROFIT                    | 24,761          | 13,277          | -11,484       | -46.4%        | 10,036        | 6,488         | -3,547        | -35.3%        |
| Administration Expenses         | -17,870         | -20,425         | -2,555        | 14.3%         | -6,850        | -6,995        | -146          | 2.1%          |
| OPERATING INCOME <sup>(1)</sup> | 6,891           | -7,148          | -14,039       | -203.7%       | 3,186         | -507          | -3,693        | -115.9%       |
| <b>EBITDA <sup>(2)</sup></b>    | <b>17,307</b>   | <b>8,071</b>    | <b>-9,236</b> | <b>-53.4%</b> | <b>6,518</b>  | <b>4,497</b>  | <b>-2,021</b> | <b>-31.0%</b> |
| Operating Margin                | 3.2%            | -3.5%           |               |               | 4.4%          | -0.8%         |               |               |
| EBITDA Margin                   | 8.1%            | 3.9%            |               |               | 8.9%          | 6.8%          |               |               |
| <b>MEXICO</b>                   |                 |                 |               |               |               |               |               |               |
| REVENUES                        | 54,988          | 51,944          | -3,044        | -5.5%         | 18,747        | 18,406        | -341          | -1.8%         |
| Platforms                       | 28,301          | 24,222          | -4,078        | -14.4%        | 10,068        | 8,296         | -1,772        | -17.6%        |
| IT Services                     | 26,687          | 27,722          | 1,035         | 3.9%          | 8,678         | 10,110        | 1,432         | 16.5%         |
| Applications                    | 0               | 0               | 0             | -             | 0             | 0             | 0             | -             |
| Cost of Sales                   | -42,184         | -41,040         | 1,144         | -2.7%         | -15,182       | -13,579       | 1,602         | -10.6%        |
| GROSS PROFIT                    | 12,804          | 10,904          | -1,899        | -14.8%        | 3,565         | 4,827         | 1,262         | 35.4%         |
| Administration Expenses         | -5,240          | -4,782          | 457           | -8.7%         | -1,621        | -1,845        | -223          | 13.8%         |
| OPERATING INCOME <sup>(1)</sup> | 7,564           | 6,122           | -1,442        | -19.1%        | 1,944         | 2,982         | 1,039         | 53.4%         |
| <b>EBITDA <sup>(2)</sup></b>    | <b>8,919</b>    | <b>7,444</b>    | <b>-1,475</b> | <b>-16.5%</b> | <b>2,371</b>  | <b>3,380</b>  | <b>1,009</b>  | <b>42.5%</b>  |
| Operating Margin                | 13.8%           | 11.8%           |               |               | 10.4%         | 16.2%         |               |               |
| EBITDA Margin                   | 16.2%           | 14.3%           |               |               | 12.6%         | 18.4%         |               |               |
| <b>OPLA</b>                     |                 |                 |               |               |               |               |               |               |
| REVENUES                        | 72,823          | 91,954          | 19,131        | 26.3%         | 24,253        | 32,297        | 8,043         | 33.2%         |
| Platforms                       | 22,599          | 37,307          | 14,708        | 65.1%         | 8,075         | 10,897        | 2,821         | 34.9%         |
| IT Services                     | 46,844          | 51,626          | 4,782         | 10.2%         | 15,280        | 20,555        | 5,275         | 34.5%         |
| Applications                    | 3,380           | 3,020           | -359          | -10.6%        | 898           | 844           | -54           | -6.0%         |
| Cost of Sales                   | -57,480         | -77,357         | -19,877       | 34.6%         | -19,325       | -26,943       | -7,618        | 39.4%         |
| GROSS PROFIT                    | 15,343          | 14,596          | -746          | -4.9%         | 4,928         | 5,354         | 426           | 8.6%          |
| Administration Expenses         | -6,722          | -8,484          | -1,763        | 26.2%         | -2,108        | -3,168        | -1,060        | 50.3%         |
| OPERATING INCOME <sup>(1)</sup> | 8,621           | 6,112           | -2,509        | -29.1%        | 2,820         | 2,186         | -635          | -22.5%        |
| <b>EBITDA <sup>(2)</sup></b>    | <b>11,619</b>   | <b>10,503</b>   | <b>-1,116</b> | <b>-9.6%</b>  | <b>3,769</b>  | <b>4,007</b>  | <b>238</b>    | <b>6.3%</b>   |
| Operating Margin                | 11.8%           | 6.6%            |               |               | 11.6%         | 6.8%          |               |               |
| EBITDA Margin                   | 16.0%           | 11.4%           |               |               | 15.5%         | 12.4%         |               |               |

(1) Operating Income: Gross Profit – Administration Expenses

(2) EBITDA: Operating Income + Depreciation and Amortization

## ANALYSIS OF CONSOLIDATED BALANCE SHEET

### Assets

As of September 30, 2017, Total Assets amounted \$897,872 million (US\$1,407.5 million) showing an increase of 2.3% compared to December 31, 2016. Main variations are as follows:

Increase in:

- Trade and other current receivables by \$20,501 million (US\$32.1 million), whose balance as of September 30, 2017 was \$219,141 million (US\$343.5 million) mainly due to Colombia (consolidation of Grupo Compufácil and new contracts) and Brazil.
- Non-current receivables by \$9,915 million (US\$15.5 million), whose balance as of September 30, 2017 was \$34,371 million (US\$53.9 million), mainly driven by new contracts including financing in Peru and Colombia.

Decrease in:

- Cash and cash equivalents by \$10,395 million (US\$16.3 million) whose balance as of September 30, 2017 was \$54,023 million (US\$84.7 million) driven by the use of funds in the acquisition of Grupo Compufácil and working capital requirements and other investments.

### Liabilities

As of September 30, 2017, Total Liabilities totaled \$396,360 million (US\$621.3 million), representing an increase of 7.1% compared to December 31, 2016. Main changes are:

Increase in:

- Other current and non-current financial liabilities by \$41,297 million (US\$64.7 million) whose balance as of September 30, 2017 was \$113,636 million (US\$178.1 million) current and \$93,598 million (US\$146.7 million) non-current, mainly in Brazil and Colombia.

Decrease in:

- Other current provisions by \$5,227 million (US\$8.2 million), whose balance as of September 30, 2017 was \$4,296 million (US\$6.7 million) from Brazil.
- Non-current trade account payable by \$4,423 million (US\$6.9 million), whose balance as of September 30, 2017 was \$9,913 million (US\$15.5 million), mainly in Brazil.

### Shareholder's Equity

Consolidated Shareholders' Equity Attributable to Owners amounted \$493,827 million (US\$774.1 million) as of September 30, 2017, decreasing 1.0% compared to December 31, 2016 (-\$5,208 million / -US\$8.2 million). The movements in Shareholder's Equity are due to effects in the Reserve of Exchange Difference Translation (-\$11,698 million / -US\$18.3 million), also in Changes in Ownership Interest in Subsidiaries that do not Result in Loss of Control (-\$6,220 million / -US\$9.8 million) as well as profit in Net Income in the period, net of dividends.

The annualized Return on Equity (ROE) was 6.4%.

Figure 15 – Financial Ratios Summary

| Financial Ratios  |          | Sep-16  | Sep-17  | Δ               | Dec-16  | Δ               |
|---|----------|---------|---------|-----------------|---------|-----------------|
|   |          |         |         | Sep-17 / Sep-16 |         | Sep-17 / Dec-16 |
| <b>LIQUIDITY</b>  |          |         |         |                 |         |                 |
| <b>Current Ratio</b>  | (times)  | 2.2     | 1.5     | -32.4%          | 1.6     | -6.3%           |
| (Current Assets / Current Liabilities)  |          |         |         |                 |         |                 |
| <b>Quick Ratio</b>  | (times)  | 2.0     | 1.4     | -32.8%          | 1.4     | -5.6%           |
| ((Current Assets - Inventories) / Current Liabilities)  |          |         |         |                 |         |                 |
| <b>Working Capital</b>  | (Ch M\$) | 192,016 | 130,802 | -31.9%          | 144,494 | -9.5%           |
| (Current Assets - Current Liabilities)  |          |         |         |                 |         |                 |
| <b>INDEBTEDNESS</b>   |          |         |         |                 |         |                 |
| <b>Leverage</b>   | (times)  | 0.5     | 0.8     | 46.3%           | 0.7     | 8.4%            |
| ((Current Liabilities + Non-current Liabilities) / Equity)  |          |         |         |                 |         |                 |
| <b>Financial Leverage</b>   | (times)  | 0.2     | 0.4     | 133.0%          | 0.3     | 26.4%           |
| ((Other Current Financial Liabilities + Other Non-current Financial Liabilities) / Equity)  |          |         |         |                 |         |                 |
| <b>Short-Term Debt</b>  | (times)  | 0.6     | 0.7     | 14.7%           | 0.6     | 1.4%            |
| (Current Liabilities / Total Liabilities)   |          |         |         |                 |         |                 |
| <b>Long-Term Debt</b>   | (times)  | 0.4     | 0.3     | -19.7%          | 0.4     | -2.5%           |
| (Non-Current Liabilities / Total Liabilities)   |          |         |         |                 |         |                 |
| <b>Financial-Expenses-Coverage Ratio</b>  | (times)  | 10.0    | 5.6     | -44.3%          | 8.1     | -30.9%          |
| (EBITDA / Financial Expenses)   |          |         |         |                 |         |                 |
| <b>Financial Debt to EBITDA Ratio</b>   | (times)  | 0.8     | 2.2     | 171.5%          | 1.7     | 30.1%           |
| ((Current Liabilities + Non-current Liabilities) / EBITDA <sup>1,2</sup> )  |          |         |         |                 |         |                 |
| <b>Net Financial Debt to EBITDA Ratio</b>   | (times)  | 0.2     | 1.4     | 452.9%          | 0.8     | 76.5%           |
| ((Current Liabilities + Non-current Liabilities - Cash and Cash Equivalents - Other Current Financial Assets) / EBITDA <sup>1,2</sup> ) |          |         |         |                 |         |                 |
| <b>PROFITABILITY</b>  |          |         |         |                 |         |                 |
| <b>ROE</b>  | %        | 9.4%    | 6.4%    | -300 pb         | 5.5%    | 90 pb           |
| (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )  |          |         |         |                 |         |                 |
| <b>ROA</b>  | %        | 5.7%    | 3.6%    | -210 pb         | 3.2%    | 40 pb           |
| (Net Income attrib.to Owners <sup>2</sup> / Equity attrib.to Owners <sup>3</sup> )  |          |         |         |                 |         |                 |
| <b>Earnings per Share</b>   | (Ch\$)   | 51.4    | 36.7    | -28.5%          | 30.3    | 21.2%           |
| (Net Income attrib.to Owners of Comp. / Total Shares <sup>4</sup> )   |          |         |         |                 |         |                 |
| <b>Dividend Yield</b>   | %        | 2.0%    | 0.7%    | -130 pb         | 2.2%    | -150 pb         |
| (Dividends Paid <sup>5</sup> / Closing Market Stock Price)  |          |         |         |                 |         |                 |

1 EBITDA = Operating Income + Depreciation and Amortization

2 Annual Base

3 Calculated as an average:

- Sep-17: average between Sep-17 and Dec-16

- Sep-16: average between Sep-16 and Dec-15

- Dec-16: average between Dec-16 y Dec-15

4 Numbers of shares considered:

- Sep-17 = 871.057.175

- Sep-16 = 871.057.175

- Dec-16 = 871.057.175

5 Last 12 months

## Statements of Cash Flow

Cash and Cash Equivalents totaled \$54,023 million (US\$84.7 million) as of September 30, 2017, compared to \$60,495 million (US\$94.8 million) as of September 30, 2016.

Net Cash Flow from Operating Activities totaled \$18,286 million in 9M17 (US\$28.7 million), decreasing 58.2% with regards to 9M16.

Cash Flow used in Investing Activities totaled \$37,726 million (US\$59.1 million), increasing the use of funds by \$18,403 million (US\$28.8 million).

Capital Expenditures (CAPEX) amounted \$33,250 million (US\$52.1 million) in 9M17, and includes: \$18,498 million (US\$29.0 million) invested in the purchase of fixed assets for internal use and projects with customers; \$12,464 million (US\$19.5 million) in permanent investments and \$2,288 million (US\$3.6 million) in intangibles.

Net Cash Flow from Financing Activities totaled \$10,416 million (US\$16.3 million) in 9M17, compared to \$31,402 million (US\$49.2 million) used in 9M16 due to higher proceeds from loans and a lower amount in both loans and dividends paid.

Figure 16 – Statements of Cash Flow

|   | Sep-16<br>Ch\$M | Sep-17<br>Ch\$M | Δ \$           | Δ %           |
|---|-----------------|-----------------|----------------|---------------|
| <b>Statements of Cash Flow</b>  |                 |                 |                |               |
| Net Cash Flows from (used in) Operating Activities  | 43,749          | 18,286          | (25,463)       | -58.2%        |
| Net Cash Flows from (used in) Investing Activities  | (19,323)        | (37,726)        | (18,403)       | 95.2%         |
| Net Cash Flows from (used in) Financing Activities  | (31,402)        | 10,416          | 41,818         | -133.2%       |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS BEFORE EFFECT OF EXCHANGE RATES</b> | <b>(6,976)</b>  | <b>(9,024)</b>  | <b>(2,048)</b> | <b>29.4%</b>  |
| Effect of Exchange Rate changes on Cash and Cash Equivalents                                | (921)           | (1,371)         | (450)          | 48.8%         |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>                                 | <b>(7,897)</b>  | <b>(10,395)</b> | <b>(2,498)</b> | <b>31.6%</b>  |
| Cash and Cash Equivalents at beginning of period  | 68,392          | 64,417          | (3,975)        | -5.8%         |
| <b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>   | <b>60,495</b>   | <b>54,023</b>   | <b>(6,473)</b> | <b>-10.7%</b> |